

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
Second Regular Session  
2006

# HOUSE BILL 2592

## AN ACT

AMENDING SECTIONS 15-342 AND 15-2011, ARIZONA REVISED STATUTES; AMENDING SECTION 15-2041, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2005, CHAPTER 272, SECTION 4 AND CHAPTER 293, SECTION 1; REPEALING SECTION 15-2041, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2005, CHAPTER 287, SECTION 3; BLENDING MULTIPLE ENACTMENTS; RELATING TO SCHOOL BUILDINGS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-342, Arizona Revised Statutes, is amended to  
3 read:

4 15-342. Discretionary powers

5 The governing board may:

6 1. Expel pupils for misconduct.

7 2. Exclude from grades one through eight children under six years of  
8 age.

9 3. Make such separation of groups of pupils as it deems advisable.

10 4. Maintain such special schools during vacation as deemed necessary  
11 for the benefit of the pupils of the school district.

12 5. Permit a superintendent or principal or representatives of the  
13 superintendent or principal to travel for a school purpose, as determined by  
14 a majority vote of the board. The board may permit members and members-elect  
15 of the board to travel within or without the school district for a school  
16 purpose and receive reimbursement. Any expenditure for travel and  
17 subsistence pursuant to this paragraph shall be as provided in title 38,  
18 chapter 4, article 2. The designated post of duty referred to in section  
19 38-621 shall be construed, for school district governing board members, to be  
20 the member's actual place of residence, as opposed to the school district  
21 office or the school district boundaries. Such expenditures shall be a  
22 charge against the budgeted school district funds. The governing board of a  
23 school district shall prescribe procedures and amounts for reimbursement of  
24 lodging and subsistence expenses. Reimbursement amounts shall not exceed the  
25 maximum amounts established pursuant to section 38-624, subsection C.

26 6. Construct or provide in rural districts housing facilities for  
27 teachers and other school employees which the board determines are necessary  
28 for the operation of the school.

29 7. Sell or lease to the state, a county, a city or a tribal government  
30 agency, any school property required for a public purpose, provided the sale  
31 or lease of the property will not affect the normal operations of a school  
32 within the school district.

33 8. Annually budget and expend funds for membership in an association  
34 of school districts within this state.

35 9. Enter into leases or lease-purchase agreements for school buildings  
36 or grounds, or both, as lessor or as lessee, for periods of less than five  
37 years subject to voter approval for construction of school buildings as  
38 prescribed in section 15-341, subsection A, paragraph 8.

39 10. Subject to chapter 16 of this title, sell school sites or enter  
40 into leases or lease-purchase agreements for school buildings and grounds, as  
41 lessor or as lessee, for a period of five years or more, but not to exceed  
42 ninety-nine years, if authorized by a vote of the school district electors in  
43 an election called by the governing board as provided in section 15-491,  
44 except that authorization by the school district electors in an election is  
45 not required if one of the following requirements is met:

1 (a) The market value of the school property is less than fifty  
2 thousand dollars.

3 (b) The buildings and sites are completely funded with monies  
4 distributed by the school facilities board.

5 (c) The transaction involves the sale of improved or unimproved  
6 property pursuant to an agreement with the school facilities board in which  
7 the school district agrees to sell the improved or unimproved property and  
8 transfer the proceeds of the sale to the school facilities board in exchange  
9 for monies from the school facilities board for the acquisition of a more  
10 suitable school site. For a sale of property acquired by a school district  
11 prior to July 9, 1998, a school district shall transfer to the school  
12 facilities board that portion of the proceeds that equals the cost of the  
13 acquisition of a more suitable school site. If there are any remaining  
14 proceeds after the transfer of monies to the school facilities board, a  
15 school district shall only use those remaining proceeds for future land  
16 purchases approved by the school facilities board, or for capital  
17 improvements not funded by the school facilities board for any existing or  
18 future facility.

19 (d) The transaction involves the sale of improved or unimproved  
20 property pursuant to a formally adopted plan and the school district uses the  
21 proceeds of this sale to purchase other property that will be used for  
22 similar purposes as the property that was originally sold, provided that the  
23 sale proceeds of the improved or unimproved property are used within two  
24 years after the date of the original sale to purchase the replacement  
25 property. If the sale proceeds of the improved or unimproved property are  
26 not used within two years after the date of the original sale to purchase  
27 replacement property, the sale proceeds shall be used towards payment of any  
28 outstanding bonded indebtedness. If any sale proceeds remain after paying  
29 for outstanding bonded indebtedness, or if the district has no outstanding  
30 bonded indebtedness, sale proceeds shall be used to reduce the district's  
31 primary tax levy. A school district shall not use the provisions of this  
32 subdivision unless all of the following conditions exist:

33 (i) The school district is the sole owner of the improved or  
34 unimproved property that the school district intends to sell.

35 (ii) The school district did not purchase the improved or unimproved  
36 property that the school district intends to sell with monies that were  
37 distributed pursuant to chapter 16 of this title.

38 (iii) The transaction does not violate section 15-341, subsection G.

39 11. Review the decision of a teacher to promote a pupil to a grade or  
40 retain a pupil in a grade in a common school or to pass or fail a pupil in a  
41 course in high school. The pupil has the burden of proof to overturn the  
42 decision of a teacher to promote, retain, pass or fail the pupil. In order  
43 to sustain the burden of proof, the pupil shall demonstrate to the governing  
44 board that the pupil has mastered the academic standards adopted by the state  
45 board of education pursuant to sections 15-701 and 15-701.01. If the

1 governing board overturns the decision of a teacher pursuant to this  
2 paragraph, the governing board shall adopt a written finding that the pupil  
3 has mastered the academic standards. Notwithstanding title 38, chapter 3,  
4 article 3.1, the governing board shall review the decision of a teacher to  
5 promote a pupil to a grade or retain a pupil in a grade in a common school or  
6 to pass or fail a pupil in a course in high school in executive session  
7 unless a parent or legal guardian of the pupil or the pupil, if emancipated,  
8 disagrees that the review should be conducted in executive session and then  
9 the review shall be conducted in an open meeting. If the review is conducted  
10 in executive session, the board shall notify the teacher of the date, time  
11 and place of the review and shall allow the teacher to be present at the  
12 review. If the teacher is not present at the review, the board shall consult  
13 with the teacher before making its decision. Any request, including the  
14 written request as provided in section 15-341, the written evidence presented  
15 at the review and the written record of the review, including the decision of  
16 the governing board to accept or reject the teacher's decision, shall be  
17 retained by the governing board as part of its permanent records.

18 12. Provide transportation or site transportation loading and unloading  
19 areas for any child or children if deemed for the best interest of the  
20 district, whether within or without the district, county or state.

21 13. Enter into intergovernmental agreements and contracts with school  
22 districts or other governing bodies as provided in section 11-952.

23 14. Include in the curricula which it prescribes for high schools in  
24 the school district career and technical education, vocational education and  
25 technology education programs and career and technical, vocational and  
26 technology program improvement services for the high schools, subject to  
27 approval by the state board of education. The governing board may contract  
28 for the provision of career and technical, vocational and technology  
29 education as provided in section 15-789.

30 15. Suspend a teacher or administrator from the teacher's or  
31 administrator's duties without pay for a period of time of not to exceed ten  
32 school days, if the board determines that suspension is warranted pursuant to  
33 section 15-341, subsection A, paragraphs 23 and 24.

34 16. Dedicate school property within an incorporated city or town to  
35 such city or town or within a county to that county for use as a public  
36 right-of-way if both of the following apply:

37 (a) Pursuant to an ordinance adopted by such city, town or county,  
38 there will be conferred upon the school district privileges and benefits  
39 which may include benefits related to zoning.

40 (b) The dedication will not affect the normal operation of any school  
41 within the district.

42 17. Enter into option agreements for the purchase of school sites.

43 18. Donate surplus or outdated learning materials to nonprofit  
44 community organizations where the governing board determines that the

1 anticipated cost of selling the learning materials equals or exceeds the  
2 estimated market value of the materials.

3 19. Prescribe policies for the assessment of reasonable fees for  
4 students to use district-provided parking facilities. The fees are to be  
5 applied by the district solely against costs incurred in operating or  
6 securing the parking facilities. Any policy adopted by the governing board  
7 pursuant to this paragraph shall include a fee waiver provision in  
8 appropriate cases of need or economic hardship.

9 20. Establish alternative educational programs that are consistent with  
10 the laws of this state to educate pupils, including pupils who have been  
11 reassigned pursuant to section 15-841, subsection E or F.

12 21. Require a period of silence to be observed at the commencement of  
13 the first class of the day in the schools. If a governing board chooses to  
14 require a period of silence to be observed, the teacher in charge of the room  
15 in which the first class is held shall announce that a period of silence not  
16 to exceed one minute in duration will be observed for meditation, and during  
17 that time no activities shall take place and silence shall be maintained.

18 22. Require students to wear uniforms.

19 23. Exchange unimproved property or improved property, including school  
20 sites, where the governing board determines that the improved property is  
21 unnecessary for the continued operation of the school district without  
22 requesting authorization by a vote of the school district electors if the  
23 governing board determines that the exchange is necessary to protect the  
24 health, safety or welfare of pupils or when the governing board determines  
25 that the exchange is based on sound business principles for either:

26 (a) Unimproved or improved property of equal or greater value.

27 (b) Unimproved property that the owner contracts to improve if the  
28 value of the property ultimately received by the school district is of equal  
29 or greater value.

30 24. For common and high school pupils, assess reasonable fees for  
31 optional extracurricular activities and programs conducted when the common or  
32 high school is not in session, except that no fees shall be charged for  
33 pupils' access to or use of computers or related materials. For high school  
34 pupils, the governing board may assess reasonable fees for fine arts and  
35 vocational education courses and for optional services, equipment and  
36 materials offered to the pupils beyond those required to successfully  
37 complete the basic requirements of any other course, except that no fees  
38 shall be charged for pupils' access to or use of computers or related  
39 materials. Fees assessed pursuant to this paragraph shall be adopted at a  
40 public meeting after notice has been given to all parents of pupils enrolled  
41 at schools in the district and shall not exceed the actual costs of the  
42 activities, programs, services, equipment or materials. The governing board  
43 shall authorize principals to waive the assessment of all or part of a fee  
44 assessed pursuant to this paragraph if it creates an economic hardship for a  
45 pupil. For the purposes of this paragraph, "extracurricular activity" means

1 any optional, noncredit, educational or recreational activity which  
2 supplements the education program of the school, whether offered before,  
3 during or after regular school hours.

4 25. Notwithstanding section 15-341, subsection A, paragraphs 8 and 10,  
5 construct school buildings and purchase or lease school sites, without a vote  
6 of the school district electors, if the buildings and sites are totally  
7 funded from one or more of the following:

8 (a) Monies in the unrestricted capital outlay fund, except that the  
9 estimated cost shall not exceed two hundred fifty thousand dollars for a  
10 district that utilizes the provisions of section 15-949.

11 (b) Monies distributed from the school facilities board established by  
12 section 15-2001.

13 (c) Monies specifically donated for the purpose of constructing school  
14 buildings.

15 Nothing in this paragraph shall be construed to eliminate the requirement for  
16 an election to raise revenues for a capital outlay override pursuant to  
17 section 15-481 or a bond election pursuant to section 15-491.

18 26. Conduct a background investigation that includes a fingerprint  
19 check conducted pursuant to section 41-1750, subsection G for certificated  
20 personnel and personnel who are not paid employees of the school district, as  
21 a condition of employment. A school district may release the results of a  
22 background check to another school district for employment purposes. The  
23 school district may charge the costs of fingerprint checks to its  
24 fingerprinted employee, except that the school district may not charge the  
25 costs of fingerprint checks for personnel who are not paid employees of the  
26 school district.

27 27. Sell advertising space on the exterior of school buses as follows:

28 (a) Advertisements shall be age appropriate and not contain promotion  
29 of any substance that is illegal for minors such as alcohol, tobacco and  
30 drugs or gambling. Advertisements shall comply with the state sex education  
31 policy of abstinence.

32 (b) Advertising approved by the governing board may appear only on the  
33 sides of the bus in the following areas:

34 (i) The signs shall be below the seat level rub rail and not extend  
35 above the bottom of the side windows.

36 (ii) The signs shall be at least three inches from any required  
37 lettering, lamp, wheel well or reflector behind the service door or stop  
38 signal arm.

39 (iii) The signs shall not extend from the body of the bus so as to  
40 allow a handhold or present a danger to pedestrians.

41 (iv) The signs shall not interfere with the operation of any door or  
42 window.

43 (v) The signs shall not be placed on any emergency doors.

44 (c) Establish a school bus advertisement fund that is comprised of  
45 revenues from the sale of advertising space on school buses. The monies in a

1 school bus advertisement fund are not subject to reversion and shall be used  
2 for the following purposes:

3 (i) To comply with the energy conservation measures prescribed in  
4 section 15-349 in school districts that are in area A as defined in section  
5 49-541, and any remaining monies shall be used to purchase alternative fuel  
6 support vehicles and any other pupil related costs as determined by the  
7 governing board.

8 (ii) For any pupil related costs as determined by the governing board  
9 in school districts not subject to the provisions of item (i) of this  
10 subdivision.

11 28. Assess reasonable damage deposits to pupils in grades seven through  
12 twelve for the use of textbooks, musical instruments, band uniforms or other  
13 equipment required for academic courses. The governing board shall adopt  
14 policies on any damage deposits assessed pursuant to this paragraph at a  
15 public meeting called for this purpose after providing notice to all parents  
16 of pupils in grades seven through twelve in the school district. Principals  
17 of individual schools within the district may waive the damage deposit  
18 requirement for any textbook or other item if the payment of the damage  
19 deposit would create an economic hardship for the pupil. The school district  
20 shall return the full amount of the damage deposit for any textbook or other  
21 item if the pupil returns the textbook or other item in reasonably good  
22 condition within the time period prescribed by the governing board. For the  
23 purposes of this paragraph, "in reasonably good condition" means the textbook  
24 or other item is in the same or a similar condition as it was when the pupil  
25 received it, plus ordinary wear and tear.

26 29. Notwithstanding section 15-1105, expend surplus monies in the civic  
27 center school fund for maintenance and operations or unrestricted capital  
28 outlay, if sufficient monies are available in the fund after meeting the  
29 needs of programs established pursuant to section 15-1105.

30 30. Notwithstanding section 15-1143, expend surplus monies in the  
31 community school program fund for maintenance and operations or unrestricted  
32 capital outlay, if sufficient monies are available in the fund after meeting  
33 the needs of programs established pursuant to section 15-1142.

34 31. Adopt guidelines for standardization of the format of the school  
35 report cards required by section 15-746 for schools within the district.

36 32. Adopt policies that require parental notification when a law  
37 enforcement officer interviews a pupil on school grounds. Policies adopted  
38 pursuant to this paragraph shall not impede a peace officer from the  
39 performance of the peace officer's duties. If the school district governing  
40 board adopts a policy that requires parental notification:

41 (a) The policy may provide reasonable exceptions to the parental  
42 notification requirement.

43 (b) The policy shall set forth whether and under what circumstances a  
44 parent may be present when a law enforcement officer interviews the pupil,  
45 including reasonable exceptions to the circumstances under which a parent may

1 be present when a law enforcement officer interviews the pupil, and shall  
2 specify a reasonable maximum time after a parent is notified that an  
3 interview of a pupil by a law enforcement officer may be delayed to allow the  
4 parent to be present.

5 33. ENTER INTO VOLUNTARY PARTNERSHIPS WITH ANY PARTY TO FINANCE WITH  
6 FUNDS OTHER THAN SCHOOL DISTRICT FUNDS AND COOPERATIVELY DESIGN SCHOOL  
7 FACILITIES THAT COMPLY WITH THE ADEQUACY STANDARDS PRESCRIBED IN SECTION  
8 15-2011. THE DESIGN PLANS AND LOCATION OF ANY SUCH SCHOOL FACILITY SHALL BE  
9 SUBMITTED TO THE SCHOOL FACILITIES BOARD FOR APPROVAL PURSUANT TO SECTION  
10 15-2041, SUBSECTION O. IF THE SCHOOL FACILITIES BOARD APPROVES THE DESIGN  
11 PLANS AND LOCATION OF ANY SUCH SCHOOL FACILITY, THE PARTY IN PARTNERSHIP WITH  
12 THE SCHOOL DISTRICT MAY CAUSE TO BE CONSTRUCTED AND BEGIN OPERATING THE  
13 SCHOOL FACILITY BEFORE MONIES ARE DISTRIBUTED FROM THE SCHOOL FACILITIES  
14 BOARD PURSUANT TO SECTION 15-2041. MONIES DISTRIBUTED FROM THE NEW SCHOOL  
15 FACILITIES FUND TO A SCHOOL DISTRICT IN A PARTNERSHIP WITH ANOTHER PARTY TO  
16 FINANCE AND DESIGN THE SCHOOL FACILITY SHALL BE REIMBURSED TO THE SCHOOL  
17 DISTRICT PURSUANT TO SECTION 15-2041. IF THE COST TO CONSTRUCT THE SCHOOL  
18 FACILITY EXCEEDS THE AMOUNT THAT THE SCHOOL DISTRICT RECEIVES FROM THE NEW  
19 SCHOOL FACILITIES FUND, THE PARTNERSHIP AGREEMENT BETWEEN THE SCHOOL DISTRICT  
20 AND THE OTHER PARTY SHALL SPECIFY THAT, EXCEPT AS OTHERWISE PROVIDED BY THE  
21 OTHER PARTY, ANY SUCH EXCESS COSTS SHALL BE THE RESPONSIBILITY OF THE SCHOOL  
22 DISTRICT.

23 34. IT SHALL BE UNLAWFUL FOR A COUNTY, CITY OR TOWN TO REQUIRE AS A  
24 CONDITION OF ANY LAND USE APPROVAL THAT A LANDOWNER THAT ENTERED INTO A  
25 PARTNERSHIP AS PRESCRIBED IN PARAGRAPH 33 OF THIS SECTION PROVIDE ANY  
26 CONTRIBUTION, DONATION OR GIFT OTHER THAN A SITE DONATION, TO A SCHOOL  
27 DISTRICT.

28 Sec. 2. Section 15-2011, Arizona Revised Statutes, is amended to read:

29 15-2011. Minimum school facility adequacy requirements:  
30 definition

31 A. The school facilities board shall, as determined and prescribed in  
32 this chapter, provide funding to school districts for new construction as the  
33 projected number of pupils in the district will fill the existing school  
34 facilities and require more pupil space.

35 B. School buildings in a school district are adequate if all of the  
36 following requirements are met:

37 1. The buildings contain sufficient and appropriate space and  
38 equipment that comply with the minimum school facility adequacy guidelines  
39 established pursuant to subsection F of this section. The state shall not  
40 fund facilities for elective courses that require the school district  
41 facilities to exceed minimum school facility adequacy requirements. The  
42 school facilities board shall determine whether a school building meets the  
43 requirements of this paragraph by analyzing the total square footage that is  
44 available for each pupil in conjunction with the need for specialized spaces  
45 and equipment.



1           2. The buildings are in compliance with federal, state and local  
2 building and fire codes and laws that are applicable to the particular  
3 building. An existing school building is not required to comply with current  
4 requirements for new buildings unless this compliance is specifically  
5 mandated by law or by the building or fire code of the jurisdiction where the  
6 building is located.

7           3. The building systems, including roofs, plumbing, telephone systems,  
8 electrical systems, heating systems and cooling systems, are in working order  
9 and are capable of being properly maintained.

10          4. The buildings are structurally sound.

11          C. The standards that shall be used by the school facilities board to  
12 determine whether a school building meets the minimum adequate gross square  
13 footage requirements are as follows:

14           1. For a school district that provides instruction to pupils in  
15 programs for preschool children with disabilities, kindergarten programs and  
16 grades one through six, eighty square feet per pupil in programs for  
17 preschool children with disabilities, kindergarten programs and grades one  
18 through six.

19           2. For a school district that provides instruction to up to eight  
20 hundred pupils in grades seven and eight, eighty-four square feet per pupil  
21 in grades seven and eight.

22           3. For a school district that provides instruction to more than eight  
23 hundred pupils in grades seven and eight, eighty square feet per pupil in  
24 grades seven and eight or sixty-seven thousand two hundred square feet,  
25 whichever is more.

26           4. For a school district that provides instruction to up to four  
27 hundred pupils in grades nine through twelve, one hundred twenty-five square  
28 feet per pupil in grades nine through twelve.

29           5. For a school district that provides instruction to more than four  
30 hundred and up to one thousand pupils in grades nine through twelve, one  
31 hundred twenty square feet per pupil in grades nine through twelve or fifty  
32 thousand square feet, whichever is more.

33           6. For a school district that provides instruction to more than one  
34 thousand and up to one thousand eight hundred pupils in grades nine through  
35 twelve, one hundred twelve square feet per pupil in grades nine through  
36 twelve or one hundred twenty thousand square feet, whichever is more.

37           7. For a school district that provides instruction to more than one  
38 thousand eight hundred pupils in grades nine through twelve, ninety-four  
39 square feet per pupil in grades nine through twelve or two hundred one  
40 thousand six hundred square feet, whichever is more.

41          D. The school facilities board may modify the square footage  
42 requirements prescribed in subsection C of this section or modify the amount  
43 of monies awarded to cure the square footage deficiency pursuant to this  
44 section for particular school districts based on extraordinary circumstances  
45 for any of the following considerations:

1           1. The number of pupils served by the school district.  
2           2. Geographic factors.  
3           3. Grade configurations other than those prescribed in subsection C of  
4 this section.  
5           E. In measuring the square footage per pupil requirements of  
6 subsection C of this section, the school facilities board shall:  
7           1. Use the most recent one hundredth day average daily membership.  
8           2. For each school, use the lesser of either:  
9           (a) Total gross square footage.  
10           (b) Student capacity multiplied by the appropriate square footage per  
11 pupil prescribed by subsection C of this section.  
12           3. Consider the total space available in all schools in use in the  
13 school district, except that the school facilities board shall allow an  
14 exclusion of the square footage for certain schools and the pupils within the  
15 schools' boundaries if the school district demonstrates to the board's  
16 satisfaction unusual or excessive busing of pupils or unusual attendance  
17 boundary changes between schools.  
18           4. Compute the gross square footage of all buildings by measuring from  
19 exterior wall to exterior wall. Square footage used solely for district  
20 administration, storage of vehicles and other nonacademic purposes shall be  
21 excluded from the gross square footage.  
22           5. Include all portable and modular buildings.  
23           6. Include in the gross square footage new construction funded wholly  
24 or partially by the school facilities board based on the square footage  
25 funded by the school facilities board. If the new construction is to exceed  
26 the square footage funded by the school facilities board, then the excess  
27 square footage shall not be included in the gross square footage if any of  
28 the following apply:  
29           (a) The excess square footage was constructed before July 1, 2002 or  
30 funded by a class B bond, impact aid revenue bond or capital outlay override  
31 approved by the voters after August 1, 1998 and before June 30, 2002 or  
32 funded from unrestricted capital outlay expended before June 30, 2002.  
33           (b) The excess square footage of new school facilities does not exceed  
34 twenty-five per cent of the minimum square footage requirements pursuant to  
35 subsection C of this section.  
36           (c) The excess square footage of expansions to school facilities does  
37 not exceed twenty-five per cent of the minimum square footage requirements  
38 pursuant to subsection C of this section.  
39           7. Require that excess square footage that is constructed after July  
40 1, 2002 and that is not excluded pursuant to paragraph 6 of this subsection  
41 meets the minimum school facility adequacy guidelines in order to be eligible  
42 for building renewal monies as computed in section 15-2031. EXCLUDE SQUARE  
43 FOOTAGE BUILT UNDER A DEVELOPER AGREEMENT ACCORDING TO SECTION 15-342,  
44 PARAGRAPH 33 UNTIL THE SCHOOL FACILITIES BOARD PROVIDES FUNDING FOR THE  
45 SQUARE FOOTAGE UNDER SECTION 15-2041, SUBSECTION 0.

1 F. The school facilities board shall adopt rules establishing minimum  
2 school facility adequacy guidelines. The executive director of the school  
3 facilities board shall report monthly to the joint committee on capital  
4 review on the progress of the development of the proposed rules establishing  
5 the guidelines. The joint committee on capital review shall review the  
6 proposed guidelines before the school facilities board adopts the rules to  
7 establish the minimum school facility adequacy guidelines. The guidelines  
8 shall provide the minimum quality and quantity of school buildings and  
9 facilities and equipment necessary and appropriate to enable pupils to  
10 achieve the academic standards pursuant to section 15-203, subsection A,  
11 paragraphs 12 and 13 and sections 15-701 and 15-701.01. At a minimum, the  
12 school facilities board shall address all of the following in developing  
13 these guidelines:

- 14 1. School sites.
- 15 2. Classrooms.
- 16 3. Libraries and media centers, or both.
- 17 4. Cafeterias.
- 18 5. Auditoriums, multipurpose rooms or other multiuse space.
- 19 6. Technology.
- 20 7. Transportation.
- 21 8. Facilities for science, arts and physical education.
- 22 9. Other facilities and equipment that are necessary and appropriate  
23 to achieve the academic standards prescribed pursuant to section 15-203,  
24 subsection A, paragraphs 12 and 13 and sections 15-701 and 15-701.01.
- 25 10. Appropriate combinations of facilities or uses listed in this  
26 section.

27 G. The board shall consider the facilities and equipment of the  
28 schools with the highest academic productivity scores, as prescribed in  
29 section 15-2002, subsection A, paragraph 9, subdivision (d), and the highest  
30 parent quality ratings in the establishment of the guidelines.

31 H. The school facilities board may consider appropriate combinations  
32 of facilities or uses in making assessments of and curing existing  
33 deficiencies pursuant to section 15-2002, subsection A, paragraph 1 and in  
34 certifying plans for new school facilities pursuant to section 15-2002,  
35 subsection A, paragraph 5.

36 I. For the purposes of this section, "student capacity" means the  
37 capacity adjusted to include any additions to or deletions of space,  
38 including modular or portable buildings at the school. The school facilities  
39 board shall determine the student capacity for each school in conjunction  
40 with each school district, recognizing each school's allocation of space as  
41 of July 1, 1998, to achieve the academic standards prescribed pursuant to  
42 section 15-203, subsection A, paragraphs 12 and 13 and sections 15-701 and  
43 15-701.01.

1           Sec. 3. Section 15-2041, Arizona Revised Statutes, as amended by Laws  
2 2005, chapter 272, section 4 and chapter 293, section 1, is amended to read:

3           15-2041. New school facilities fund; capital plan; report

4           A. A new school facilities fund is established consisting of monies  
5 appropriated by the legislature and monies credited to the fund pursuant to  
6 section 37-221 ~~or 42-5030.01~~. The school facilities board shall administer  
7 the fund and distribute monies, as a continuing appropriation, to school  
8 districts for the purpose of constructing new school facilities. On June 30  
9 of each fiscal year, any unobligated contract monies in the new school  
10 facilities fund shall be transferred to the capital reserve fund established  
11 by section 15-2003.

12           B. The school facilities board shall prescribe a uniform format for  
13 use by the school district governing board in developing and annually  
14 updating a capital plan that consists of each of the following:

15           1. Enrollment projections for the next five years for elementary  
16 schools and eight years for middle and high schools, including a description  
17 of the methods used to make the projections.

18           2. A description of new schools or additions to existing schools  
19 needed to meet the building adequacy standards prescribed in section 15-2011.  
20 The description shall include:

21           (a) The grade levels and the total number of pupils that the school or  
22 addition is intended to serve.

23           (b) The year in which it is necessary for the school or addition to  
24 begin operations.

25           (c) A timeline that shows the planning and construction process for  
26 the school or addition.

27           3. Long-term projections of the need for land for new schools.

28           4. Any other necessary information required by the school facilities  
29 board to evaluate a school district's capital plan.

30           5. If a school district pays tuition for all or a portion of the  
31 school district's high school pupils to another school district, the capital  
32 plan shall indicate the number of pupils for which the district pays tuition  
33 to another district. If a school district accepts pupils from another school  
34 district pursuant to section 15-824, subsection A, the school district shall  
35 indicate the projections for this population separately. This paragraph does  
36 not apply to a small isolated school district as defined in section 15-901.

37           C. If the capital plan indicates a need for a new school or an  
38 addition to an existing school within the next four years or a need for land  
39 within the next ten years, the school district shall submit its plan to the  
40 school facilities board by September 1 and shall request monies from the new  
41 school facilities fund for the new construction or land. Monies provided for  
42 land shall be in addition to any monies provided pursuant to subsection D of  
43 this section.

44           D. The school facilities board shall distribute monies from the new  
45 school facilities fund as follows:

1           1. The school facilities board shall review and evaluate the  
2 enrollment projections and either approve the projections as submitted or  
3 revise the projections. In determining new construction requirements, the  
4 school facilities board shall determine the net new growth of pupils that  
5 will require additional square footage that exceeds the building adequacy  
6 standards prescribed in section 15-2011. If the projected growth and the  
7 existing number of pupils exceeds three hundred fifty pupils who are served  
8 in a school district other than the pupil's resident school district, the  
9 school facilities board, the receiving school district and the resident  
10 school district shall develop a capital facilities plan on how to best serve  
11 those pupils. A small isolated school district as defined in section 15-901  
12 is not required to develop a capital facilities plan pursuant to this  
13 paragraph.

14           2. If the approved projections indicate that additional space will not  
15 be needed within the next two years for elementary schools or three years for  
16 middle or high schools in order to meet the building adequacy standards  
17 prescribed in section 15-2011, the request shall be held for consideration by  
18 the school facilities board for possible future funding and the school  
19 district shall annually submit an updated plan until the additional space is  
20 needed.

21           3. If the approved projections indicate that additional space will be  
22 needed within the next two years for elementary schools or three years for  
23 middle or high schools in order to meet the building adequacy standards  
24 prescribed in section 15-2011, the school facilities board shall provide an  
25 amount as follows:

26           (a) Determine the number of pupils requiring additional square footage  
27 to meet building adequacy standards. This amount for elementary schools  
28 shall not be less than the number of new pupils for whom space will be needed  
29 in the next year and shall not exceed the number of new pupils for whom space  
30 will be needed in the next five years. This amount for middle and high  
31 schools shall not be less than the number of new pupils for whom space will  
32 be needed in the next four years and shall not exceed the number of new  
33 pupils for whom space will be needed in the next eight years.

34           (b) Multiply the number of pupils determined in subdivision (a) of  
35 this paragraph by the square footage per pupil. The square footage per pupil  
36 is ninety square feet per pupil for preschool children with disabilities,  
37 kindergarten programs and grades one through six, one hundred square feet for  
38 grades seven and eight, one hundred thirty-four square feet for a school  
39 district that provides instruction in grades nine through twelve for fewer  
40 than one thousand eight hundred pupils and one hundred twenty-five square  
41 feet for a school district that provides instruction in grades nine through  
42 twelve for at least one thousand eight hundred pupils. The total number of  
43 pupils in grades nine through twelve in the district shall determine the  
44 square footage factor to use for net new pupils. The school facilities board

1 may modify the square footage requirements prescribed in this subdivision for  
2 particular schools based on any of the following factors:

3 (i) The number of pupils served or projected to be served by the  
4 school district.

5 (ii) Geographic factors.

6 (iii) Grade configurations other than those prescribed in this  
7 subdivision.

8 (iv) Compliance with minimum school facility adequacy requirements  
9 established pursuant to section 15-2011.

10 (c) Multiply the product obtained in subdivision (b) of this paragraph  
11 by the cost per square foot. The cost per square foot is ninety dollars for  
12 preschool children with disabilities, kindergarten programs and grades one  
13 through six, ninety-five dollars for grades seven and eight and one hundred  
14 ten dollars for grades nine through twelve. The cost per square foot shall  
15 be adjusted annually for construction market considerations based on an index  
16 identified or developed by the joint legislative budget committee as  
17 necessary but not less than once each year. The school facilities board  
18 shall multiply the cost per square foot by 1.05 for any school district  
19 located in a rural area. The school facilities board may modify the base  
20 cost per square foot prescribed in this subdivision for particular schools  
21 based on geographic conditions or site conditions. For the purposes of this  
22 subdivision, "rural area" means an area outside a thirty-five mile radius of  
23 a boundary of a municipality with a population of more than fifty thousand  
24 persons.

25 (d) Once the school district governing board obtains approval from the  
26 school facilities board for new facility construction funds, additional  
27 portable or modular square footage created for the express purpose of  
28 providing temporary space for pupils until the completion of the new facility  
29 shall not be included by the school facilities board for the purpose of new  
30 construction funding calculations. On completion of the new facility  
31 construction project, if the portable or modular facilities continue in use,  
32 the portable or modular facilities shall be included as prescribed by this  
33 chapter, unless the school facilities board approves their continued use for  
34 the purpose of providing temporary space for pupils until the completion of  
35 the next new facility that has been approved for funding from the new school  
36 facilities fund.

37 4. For projects approved after December 31, 2001, and notwithstanding  
38 paragraph 3 of this subsection, a unified school district that does not have  
39 a high school is not eligible to receive high school space as prescribed by  
40 section 15-2011 and this section unless the unified district qualifies for  
41 geographic factors prescribed by paragraph 3, subdivision (b), item (ii) of  
42 this subsection.

43 E. Monies for architectural and engineering fees, project management  
44 SERVICES and preconstruction services shall be distributed on the completion  
45 of the analysis by the school facilities board of the school district's

1 request. After receiving monies pursuant to this subsection, the school  
2 district shall submit a design development plan for the school or addition to  
3 the school facilities board before any monies for construction are  
4 distributed. If the school district's request meets the building adequacy  
5 standards, the school facilities board may review and comment on the  
6 district's plan with respect to the efficiency and effectiveness of the plan  
7 in meeting state square footage and facility standards before distributing  
8 the remainder of the monies. If the school facilities board modifies the  
9 cost per square foot as prescribed in subsection D, paragraph 3, subdivision  
10 (c), the school facilities board may deduct the cost of project management  
11 services and preconstruction services from the required cost per square  
12 foot. The school facilities board may decline to fund the project if the  
13 square footage is no longer required due to revised enrollment projections.

14 F. The school facilities board shall distribute the monies needed for  
15 land for new schools so that land may be purchased at a price that is less  
16 than or equal to fair market value and in advance of the construction of the  
17 new school. If necessary, the school facilities board may distribute monies  
18 for land to be leased for new schools if the duration of the lease exceeds  
19 the life expectancy of the school facility by at least fifty per cent. The  
20 proceeds derived through the sale of any land purchased or partially  
21 purchased with monies provided by the school facilities board shall be  
22 returned to the state fund from which it was appropriated and to any other  
23 participating entity on a proportional basis. If a school district acquires  
24 real property by donation at an appropriate school site approved by the  
25 school facilities board, the school facilities board shall distribute an  
26 amount equal to twenty per cent of the fair market value of the donated real  
27 property that can be used for academic purposes. The school district shall  
28 place the monies in the unrestricted capital outlay fund and increase the  
29 unrestricted capital outlay limit by the amount of monies placed in the  
30 fund. Monies distributed under this subsection shall be distributed from the  
31 new school facilities fund. A school district shall not pay a consultant a  
32 percentage of the value of any of the following:

33 1. Donations of real property, services or cash from any of the  
34 following:

35 (a) Entities that have offered to provide construction services to the  
36 school district.

37 (b) Entities that have been contracted to provide construction  
38 services to the school district.

39 (c) Entities that build residential units in that school district.

40 (d) Entities that develop land for residential use in that school  
41 district.

42 2. Monies received from the school facilities board on behalf of the  
43 school district.

44 3. Monies paid by the school facilities board on behalf of the school  
45 district.

1           G. In addition to distributions to school districts based on pupil  
2 growth projections, a school district may submit an application to the school  
3 facilities board for monies from the new school facilities fund if one or  
4 more school buildings have outlived their useful life. If the school  
5 facilities board determines that the school district needs to build a new  
6 school building for these reasons, the school facilities board shall remove  
7 the square footage computations that represent the building from the  
8 computation of the school district's total square footage for purposes of  
9 this section. If the square footage recomputation reflects that the school  
10 district no longer meets building adequacy standards, the school district  
11 qualifies for a distribution of monies from the new school construction  
12 formula in an amount determined pursuant to subsection D of this  
13 section. Buildings removed from a school district's total square footage  
14 pursuant to this subsection shall not be included in the computation of  
15 monies from the building renewal fund established by section 15-2031. The  
16 school facilities board may modify the base cost per square foot prescribed  
17 in this subsection under extraordinary circumstances for geographic factors  
18 or site conditions.

19           H. School districts that receive monies from the new school facilities  
20 fund shall establish a district new school facilities fund and shall use the  
21 monies in the district new school facilities fund only for the purposes  
22 prescribed in this section. By October 15 of each year, each school district  
23 shall report to the school facilities board the projects funded at each  
24 school in the previous fiscal year with monies from the district new school  
25 facilities fund and shall provide an accounting of the monies remaining in  
26 the new school facilities fund at the end of the previous fiscal year.

27           I. If a school district has surplus monies received from the new  
28 school facilities fund, the school district may use the surplus monies only  
29 for capital purposes for the project for up to one year after completion of  
30 the project. If the school district possesses surplus monies from the new  
31 school construction project that have not been expended within one year of  
32 the completion of the project, the school district shall return the surplus  
33 monies to the school facilities board for deposit in the new school  
34 facilities fund.

35           J. The board's consideration of any application filed after July 1,  
36 2001 or after December 31 of the year in which the property becomes territory  
37 in the vicinity of a military airport or ancillary military facility as  
38 defined in section 28-8461 for monies to fund the construction of new school  
39 facilities proposed to be located in territory in the vicinity of a military  
40 airport or ancillary military facility shall include, if after notice is  
41 transmitted to the military airport pursuant to section 15-2002 and before  
42 the public hearing the military airport provides comments and analysis  
43 concerning compatibility of the proposed school facilities with the high  
44 noise or accident potential generated by military airport or ancillary  
45 military facility operations that may have an adverse effect on public health



1 and safety, consideration and analysis of the comments and analysis provided  
2 by the military airport before making a final determination.

3 K. If a school district uses its own project manager for new school  
4 construction, the members of the school district governing board and the  
5 project manager shall sign an affidavit stating that the members and the  
6 project manager understand and will follow the minimum adequacy requirements  
7 prescribed in section 15-2011.

8 L. The school facilities board shall establish a separate account in  
9 the new school facilities fund designated as the litigation account to pay  
10 attorney fees, expert witness fees and other costs associated with litigation  
11 in which the school facilities board pursues the recovery of damages for  
12 deficiencies correction that resulted from alleged construction defects or  
13 design defects that the school facilities board believes caused or  
14 contributed to a failure of the school building to conform to the building  
15 adequacy requirements prescribed in section 15-2011. Attorney fees paid  
16 pursuant to this subsection shall not exceed the market rate for similar  
17 types of litigation. Monies recovered as damages pursuant to this subsection  
18 shall be used to offset debt service on the correction of existing  
19 deficiencies as prescribed by section 15-2021. The joint committee on  
20 capital review shall conduct an annual review of the litigation account,  
21 including the costs associated with current and potential litigation.

22 M. Until the state board of education and the auditor general adopt  
23 rules pursuant to section 15-213, subsection I, the school facilities board  
24 may allow school districts to contract for construction services and  
25 materials through the qualified select bidders list method of project  
26 delivery for new school facilities pursuant to this section.

27 N. The school facilities board shall submit a report on project  
28 management services and preconstruction services to the governor, the  
29 president of the senate and the speaker of the house of representatives by  
30 December 31 of each year. The report shall compare projects that use project  
31 management and preconstruction services with those that do not. The report  
32 shall address cost, schedule and other measurable components of a  
33 construction project. School districts, construction manager at risk firms  
34 and project management firms that participate in a school facilities board  
35 funded project shall provide the information required by the school  
36 facilities board in relation to this report.

37 O. IF A SCHOOL DISTRICT CONSTRUCTS NEW SQUARE FOOTAGE ACCORDING TO  
38 SECTION 15-342, PARAGRAPH 33, THE SCHOOL FACILITIES BOARD SHALL REVIEW DESIGN  
39 PLANS AND LOCATION OF ANY NEW SCHOOL FACILITY SUBMITTED BY SCHOOL DISTRICTS  
40 AND ANOTHER PARTY TO DETERMINE WHETHER THE DESIGN PLANS COMPLY WITH THE  
41 ADEQUACY STANDARDS PRESCRIBED IN SECTION 15-2011. WHEN THE SCHOOL DISTRICT  
42 QUALIFIES FOR A DISTRIBUTION OF MONIES FROM THE NEW SCHOOL FACILITIES FUND  
43 ACCORDING TO THIS SECTION, THE SCHOOL FACILITIES BOARD SHALL DISTRIBUTE  
44 MONIES TO THE SCHOOL DISTRICT FROM THE NEW SCHOOL FACILITIES FUND FOR THE  
45 SQUARE FOOTAGE CONSTRUCTED UNDER SECTION 15-342, PARAGRAPH 33 AT THE SAME

1 COST PER SQUARE FOOT ESTABLISHED BY THIS SECTION THAT WAS IN EFFECT AT THE  
2 TIME OF THE BEGINNING OF THE CONSTRUCTION OF THE SCHOOL FACILITY. THE  
3 AGREEMENT ESTABLISHED BY SECTION 15-342, PARAGRAPH 33 SHALL SET FORTH THE  
4 PROCEDURES FOR THE ALLOCATION OF THESE FUNDS TO THE PARTIES THAT PARTICIPATED  
5 IN THE AGREEMENT. THE SCHOOL DISTRICT WILL BE UNABLE TO CLAIM THE TWENTY PER  
6 CENT PROCEEDS FROM THE LAND DONATION STATUTES.

7 Sec. 4. Repeal

8 Section 15-2041, Arizona Revised Statutes, as amended by Laws 2005,  
9 chapter 287, section 3, is repealed.